



TRABUCO CANYON WATER DISTRICT FINANCE/AUDIT COMMITTEE MEETING RECAP | JULY 10, 2019

DIRECTORS PRESENT

Director Don Chadd, Committee Chair
Director Mike Safranski, Committee Member

DIRECTORS ABSENT

None

STAFF PRESENT

Michael Perea, Interim General Manager
Lorrie Lausten, Principal Engineer
Karen Warner, Senior Accountant
Lisa Marie Sangi, Administrative Assistant

DISTRICT CONSULTANT(S) PRESENT

None

PUBLIC PRESENT

There were members of the public present.

CALL MEETING TO ORDER

Director Chadd called the July 10, 2019 Finance/Audit Committee Meeting to order at 6:02 P.M.

VISITOR PARTICIPATION

No visitor participation was received.

ORAL COMMUNICATION

No oral communication was received.

COMMITTEE MEMBER COMMENTS

No Committee Member comments were received.

REPORT FROM THE INTERIM GENERAL MANAGER

Mr. Perea reported that District staff responded to a grease interceptor spill at Los Primos Restaurant and worked with the restaurant owner to secure the area and clean up the spill. Mr. Perea added that a Notice of Violation was issued to the restaurant owner in accordance with District Policy.

Mr. Perea reported that the Association of California Water Agencies (ACWA) 2019 Fall Conference is scheduled to be held in San Diego in December 2019, and he mentioned that District staff will RSVP for Directors that are interested in attending the event. Director Chadd asked to be registered for the Conference.

Mr. Perea reported that District staff met with PSOMAS to review the preliminary Draft Non-Domestic Water Allocation Report.

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Mr. Perea reported that Finance/Audit Committee Meeting will be dark in August 2019.

ITEM 1: FINANCE/AUDIT COMMITTEE MEETING RECAP

The June 12, 2019 Finance/Audit Committee Meeting Recap was presented to the Committee.

RECOMMENDED ACTION:

The Committee recommended that the June 12, 2019 Finance/Audit Committee Meeting Recap be received and filed by the Board (Consent Calendar).

ITEM 2: RATIFICATION OF DIRECTORS' FEES AND EXPENSES, TENTATIVE FUTURE MEETINGS/ATTENDANCE ITEMS

Mr. Perea presented this matter for Committee consideration and review.

RECOMMENDED ACTION:

The Committee recommended that the Directors' Fees and Expenses for June 2019, and the tentative future meetings be forwarded to the Board of Directors for ratification (Consent Calendar).

ITEM 3: DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT'S PARTICIPATION IN WATER EMERGENCY RESPONSE OF ORANGE COUNTY (WEROC) AMERICA'S WATER INFRASTRUCTURE ACT OF 2018 (AWIA) JOINT COMPLIANCE EFFORT

Mr. Perea presented this matter to the Committee for their review, and he discussed the AWIA requirements. Mr. Perea reported that the Water Emergency Response of Orange County ("WEROC") coordinated with the Municipal Water District of Orange County ("MWDOC") member agencies to issue a request for proposals for consultant services in complying with the AWIA, and briefly highlighted the phased compliance approach. Mr. Perea reviewed the compliance efforts proposed costs, and he reported that WEROC has requested a letter of commitment in participating in phase one of the joint compliance effort.

RECOMMENDED ACTION:

The Committee received the information concerning the matter and (1) Authorize the Interim General Manager to provide a letter of commitment on behalf of Trabuco Canyon Water District to participate in Phase 1 – Compliance Crosswalk in the amount of \$15,099, and (2) Recommend concerning Trabuco Canyon Water District's participation in the AWIA Joint Compliance Effort to the Board of Directors (Action Calendar).

ITEM 4: DISCUSSION CONCERNING TRABUCO CANYON WATER DISTRICT'S HEAVY EQUIPMENT VEHICLE FLEET

Mr. Perea presented this matter for Committee review, and he briefly reviewed the AQMD and CARB regulatory requirements that will impact certain District heavy equipment. Mr. Perea cited the Fiscal Year 2019/2020 Equipment Budget for the replacement of the District's Vactor Truck, and he reported that District staff procured two quotes for a replacement vehicle. Mr. Perea recommended that purchase of a Vactor Truck from Haaker Equipment Company.

RECOMMENDED ACTION:

The Committee recommended that the Board authorize the Interim General Manager to purchase one new vacuum truck from Haaker Equipment Company in the amount of \$488,707 with a 10% contingency for a total cost of \$537,577 (Action Calendar).

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ITEM 5: OTHER MATTERS

Mr. Perea provided a brief update on the District's Water Loss Audit progress and collaboration with Municipal Water District of Orange County (MWDOC), and he mentioned that MWDOC has requested that participating member agencies execute a Shared Services Agreement as certain program provisions have been transitioned to a MWDOC full time employee.

RECOMMENDED ACTION:

There were no other matters received or discussed.

ITEM 6: FINANCIAL REPORT

Mr. Perea presented the preliminary unaudited financials for May 2019 to the Committee for review and comment, and he highlighted the following items:

Operating Revenue, Residential Water Revenue

Mr. Perea reported that this line item was higher than the prior month due to increased water demands.

Operating Revenue, Business & Industrial Water Revenue

Mr. Perea reported that this line item was lower than the prior month due to decreased water demands.

Operating Revenue, Baker Treatment Plant Water Sales

Mr. Perea reported that this line item was lower than the prior month due to less water sales to the City of San Clemente, and the District purchased treated water during the Baker Water Treatment Plant stress testing period.

Discussion occurred concerning groundwater production at the Trabuco Creek Groundwater Treatment Facility.

INVESTMENT SCHEDULE

Mr. Perea reported that the District's investments in the California Local Agency Investment Fund (LAIF) was currently receiving greater than a two-percent interest rate.

RECOMMENDED ACTION:

The Committee signed the bills for consideration and the warrant register and recommended that the Board ratify payment of the bills for consideration for July 10, 2019 as presented (Consent Calendar).

ADJOURNMENT

Director Chadd adjourned the July 10, 2019 Finance/Audit Committee Meeting at 6:36 PM.